

MR01  
Particulars of a charge

148 299/13



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You may use this form to register  
a charge created or evidenced by  
an instrument

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You **must** enclose a certified copy of the instrument with this form  
scanned and placed on the public record

FRIDAY



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\*A2HA9AQH\*

20/09/2013

#156

COMPANIES HOUSE

For official use

1

**Company details**

Company number 8 6 2 3 3 2 9

Company name in full FHW DALMORE (SALFORD PENDLETON HOUSING) PLC

→ **Filing in this form**

Please complete in typescript or in  
bold black capitals

All fields are mandatory unless  
specified or indicated by \*

2

**Charge creation date**

Charge creation date 01 07 20 09 12 10 11 13

3

**Names of persons, security agents or trustees entitled to the charge**

Please show the names of each of the persons, security agents or trustees  
entitled to the charge

Name U S. BANK TRUSTEES LIMITED (a company with  
registered number 02379632)

Name

Name

Name

If there are more than four names, please supply any four of these names then  
tick the statement below

☐ I confirm that there are more than four persons, security agents or  
trustees entitled to the charge

MR01

Particulars of a charge

4

**Description**

Please give a short description of any land (including buildings), ship, aircraft or intellectual property registered (or required to be registered) in the UK which is subject to this fixed charge or fixed security

**Continuation page**

Please use a continuation page if you need to enter more details

Description

5

**Fixed charge or fixed security**

Does the instrument include a fixed charge or fixed security over any tangible or intangible (or in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☒ **Yes**

☐ **No**

6

**Floating charge**

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☒ **Yes** Continue

☐ **No** Go to **Section 7**

Is the floating charge expressed to cover all the property and undertaking of the company?

☒ **Yes**

7

**Negative Pledge**

Do any of the terms of the charge prohibit or restrict the chargor from creating any further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☐ **Yes**

☒ **No**

MR01

Particulars of a charge

8

**Trustee statement ①**

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☐

① This statement may be filed after the registration of the charge (use form MR06)

9

**Signature**

Please sign the form here

Signature

Signature

X *Bernin Leighton Partner LLP* X

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge



**Presenter information**

We will send the certificate to the address entered below. All details given here will be available on the public record. You do not have to show any details here but, if none are given, we will send the certificate to the company's Registered Office address.

Contact name Mark Briggs

Company name Berwin Leighton Paisner LLP

Address Adelaide House

London Bridge

Post town London

County/Region

Postcode E C 4 R 9 H A

Country

DX 92 LONDON/CHANCERY LN

Telephone +44 (0)20 3400 1000



**Certificate**

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank.



**Checklist**

**We may return forms completed incorrectly or with information missing.**

**Please make sure you have remembered the following:**

- ☐ The company name and number match the information held on the public Register
- ☐ You have included a certified copy of the instrument with this form
- ☐ You have entered the date on which the charge was created
- ☐ You have shown the names of persons entitled to the charge
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☐ You have given a description in Section 4, if appropriate
- ☐ You have signed the form
- ☐ You have enclosed the correct fee
- ☐ Please do not send the original instrument, it must be a certified copy



**Important information**

**Please note that all information on this form will appear on the public record.**



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The Registrar of Companies, Companies House,  
Crown Way, Cardiff, Wales, CF14 3UZ  
DX 33050 Cardiff

**For companies registered in Scotland.**  
The Registrar of Companies, Companies House,  
Fourth floor, Edinburgh Quay 2,  
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF  
DX ED235 Edinburgh 1  
or LP - 4 Edinburgh 2 (Legal Post)

**For companies registered in Northern Ireland**  
The Registrar of Companies, Companies House,  
Second Floor, The Linenhall, 32-38 Linenhall Street,  
Belfast, Northern Ireland, BT2 8BG  
DX 481 N R Belfast 1



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## **CERTIFICATE OF THE REGISTRATION OF A CHARGE**

Company number: 8623329

Charge code: 0862 3329 0001

The Registrar of Companies for England and Wales hereby certifies that a charge dated 17th September 2013 and created by FHW DALMORE (SALFORD PENDLETON HOUSING) PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 20th September 2013

Given at Companies House, Cardiff on 23rd September 2013



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES

DATED 17 SEPTEMBER 2013

**FHW DALMORE (SALFORD PENDLETON HOUSING) PLC**  
as Issuer

**U.S. BANK TRUSTEES LIMITED**  
as Issuer Security Trustee

**U.S. BANK TRUSTEES LIMITED**  
as Note Trustee

**FHW DALMORE LIMITED**  
as Managing Agent

**ELAVON FINANCIAL SERVICES LIMITED**  
as Cash Manager

**ELAVON FINANCIAL SERVICES LIMITED**  
as Issuer Account Bank

**ELAVON FINANCIAL SERVICES LIMITED**  
as Principal Paying Agent

and

**STRUCTURED FINANCE MANAGEMENT LIMITED**  
as Corporate Services Provider

**ISSUER DEED OF CHARGE**

in relation to

£71,710,000 5.414 per cent Class A Secured Notes due 17 September 2042

£10,891,000 8.35 per cent Class B Secured Notes due 17 September 2042

I/We hereby certify that  
this copy is a true and complete  
copy of the original

*K & L Gates LLP*

-----  
K & L Gates LLP  
One New Change  
London EC4M 9AF  
Our Reference

Date 17 September 2013



## Contents

Clause	Name	Page
1	Interpretation	2
2	Third Party Rights	2
Section 1	UNDERTAKING TO PAY	2
3	Security Trust	2
4	Issuer's Undertaking to Pay	2
Section 2	SECURITY	2
5	Creation of Fixed Security	2
6	Creation of Floating Charge	3
7	Notice of Security	3
8	Redemption and Release	4
9	Continuance of Security	5
10	Permitted Payments	5
11	Payments Prior to Enforcement	6
Section 3	REPRESENTATIONS AND WARRANTIES BY THE ISSUER	6
12	Representations and Warranties by the Issuer	6
Section 4	PROTECTION OF SECURITY AND ENFORCEMENT	7
13	Security Protection Notice	7
14	Note Enforcement Notice	8
15	Enforcement	8
16	Issuer Pre-Enforcement Priority of Payments	9
17	Issuer Post-Enforcement Priority of Payments	9
Section 5	ISSUER SECURITY TRUSTEE'S POWERS	9
18	Additional Provisions Regarding the Issuer Security Trustee	9
19	Mandatory Enforcement	10
20	Reliance On Instructions From Note Trustee	11
21	Extension and Variation of the LPA	11
Section 6	ADMINISTRATOR AND RECEIVER	13
22	Appointment and Removal of Administrator and Receiver	13
23	Provisions Relating to Receiver	15
24	Powers of a Receiver	16
Section 7	PROTECTIVE PROVISIONS	17
25	Protection of Third Parties	17
26	Protection of Issuer Security Trustee and Receiver	18
27	Notification of Default	18
Section 8	MISCELLANEOUS	18
28	Restriction On Enforcement of Security, Non Petition and Limited Recourse	18
29	Modification, Authorisation, Waiver and Consent	20
30	Provisions Relating to the Issuer Transaction Documents	21
31	Obligations As Corporate Obligations	22
32	Confidentiality	22
33	Other Security	24
34	Application to Court	24
35	Power of Attorney	24
36	Effectiveness of Security	25

37	Prior Security Interests	26
38	Subsequent Security Interests . . . . .	26
39	Miscellaneous Provisions	26
40	Winding Up of Trust . . . . .	26
41	Notices . . . . .	27
42	Merger . . . . .	29
43	Further Assurance . . . . .	29
44	Entire Agreement . . . . .	29
45	Counterparts .. . . .	29
46	Exercise of Rights and Remedies . . . . .	29
47	Partial Invalidity . . . . .	29
48	Governing Law and Jurisdiction . . . . .	30
49	Jurisdiction . . . . .	30
50	Execution .. . . .	30

<b>Schedule</b>	<b>Name</b>	<b>Page</b>
1	Forms of Notice of Assignment/Charge . . . . .	31
1	Part 1 Notice of Charge to Issuer Account Bank and Acknowledgement	31
1	Part 2 Acknowledgement of Notice of Charge to the Issuer Account Bank.	33
1	Part 3 Notice of Assignment to Issuer Transaction Parties. . . . .	34
1	Part 4 Acknowledgement of Assignment . . . . .	35
2	Form of Security Protection Notice . . . . .	36
3	Issuer Pre-Enforcement Priority of Payments . . . . .	37
4	Issuer Post-Enforcement Priority of Payments . . . . .	39
<b>Execution Pages ... .</b>		<b>41</b>

**THIS ISSUER DEED OF CHARGE** is made on **17** September 2013

**BETWEEN**

- (1) **FHW DALMORE (SALFORD PENDLETON HOUSING) PLC**, a public limited company incorporated under the laws of England and Wales (with registered number 8623329) having its registered office at 35 Great St Helen's, London EC3A 6AP (the "**Issuer**")
- (2) **U.S. BANK TRUSTEES LIMITED**, a company with registered number 02379632, incorporated under the laws of England and Wales whose registered office is at 125 Old Broad Street, London EC2N 1AR, as security trustee (the "**Issuer Security Trustee**", which expression shall, whenever the context so admits, include such corporation and all other persons for the time being acting as the security trustee or security trustees pursuant to this Deed)
- (3) **U.S. BANK TRUSTEES LIMITED**, a company with registered number 02379632, incorporated under the laws of England and Wales whose registered office is at 125 Old Broad Street, London EC2N 1AR, as note trustee acting subject to and in accordance with the Note Trust Deed (the "**Note Trustee**", which expression shall, whenever the context so admits, include such corporation and all other persons for the time being acting as the note trustee or note trustees pursuant to the Note Trust Deed)
- (4) **FHW DALMORE LIMITED**, a company with registered number 08615561, incorporated under the laws of England and Wales whose registered office is at One London Wall, London EC2Y 5AB, as Managing Agent (the "**Managing Agent**")
- (5) **ELAVON FINANCIAL SERVICES LIMITED**, a company with registered number 418442, incorporated under the laws of Ireland whose registered office is at Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland acting through its UK Branch (registered number BR009373) from its offices at 5<sup>th</sup> Floor, 125 Old Broad Street, London EC2N 1AR, as cash manager (the "**Cash Manager**")
- (6) **ELAVON FINANCIAL SERVICES LIMITED**, a company with registered number 418442, incorporated under the laws of Ireland whose registered office is at Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland acting through its UK Branch (registered number BR009373) from its offices at 5<sup>th</sup> Floor, 125 Old Broad Street, London EC2N 1AR, as account bank (the "**Issuer Account Bank**")
- (7) **ELAVON FINANCIAL SERVICES LIMITED**, a company with registered number 418442, incorporated under the laws of Ireland whose registered office is at Block E, Cherrywood Business Park, Loughlinstown, Dublin, Ireland acting through its UK Branch (registered number BR009373) from its offices at 5<sup>th</sup> Floor, 125 Old Broad Street, London EC2N 1AR, as principal paying agent (the "**Principal Paying Agent**")
- (8) **STRUCTURED FINANCE MANAGEMENT LIMITED**, a company with registered number 3853947, incorporated under the laws of England and Wales whose registered office is at 35 Great St Helen's, London EC3A 6AP, as corporate services provider (the "**Corporate Services Provider**")

**INTRODUCTION:**

- (A) Pursuant to the terms of the Note Trust Deed, the Issuer intends to issue Notes in accordance with the terms and conditions contained therein
- (B) The Issuer Security Trustee has agreed to hold the benefit of the security created under this Deed on trust for the benefit of the Issuer Secured Creditors upon and subject to the terms and conditions of this Deed

**THE PARTIES AGREE** as follows

**SECTION 1  
INTERPRETATION**

**1 INTERPRETATION**

Unless otherwise defined in this Deed or the context requires otherwise, words and expressions used in this Deed have the meanings and constructions ascribed to them in the Master Definitions Schedule which is dated on or about the date of this Deed and signed for the purpose of identification by, *inter alios*, the Issuer and Issuer Security Trustee

**2 THIRD PARTY RIGHTS**

Otherwise than as expressly provided herein, rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Deed, but this does not affect any right or remedy of any person which exists apart from that Act.

**SECTION 2  
UNDERTAKING TO PAY**

**3 SECURITY TRUST**

**3 1 Declaration of Trust**

The Issuer Security Trustee holds all of the covenants, undertakings, Security Interests and other rights and benefits made or given to it under this Deed and the other Issuer Transaction Documents on trust for itself and the other Issuer Secured Creditors upon and subject to the terms and conditions of this Deed

**4 ISSUER'S UNDERTAKING TO PAY**

The Issuer undertakes to the Issuer Security Trustee (for its own account and as trustee for the other Issuer Secured Creditors) that it shall duly, unconditionally and punctually pay and discharge to each of the Issuer Secured Creditors when due, all monies and liabilities whatsoever constituting the Issuer Secured Liabilities

**SECTION 3  
SECURITY**

**5 CREATION OF FIXED SECURITY**

- 5 1 Subject to the proviso regarding release on redemption in Clause 8 (*Redemption and Release*), as continuing security for the payment or discharge of the Issuer Secured Liabilities the Issuer, with full title guarantee, in favour of the Issuer

Security Trustee for the Issuer Security Trustee itself and on trust for the Issuer Secured Creditors, hereby

- 5.1.1 assigns by way of fixed security any Benefit whether existing on the date hereof or in the future under the ProjectCo Transaction Documents to which it is a party,
- 5.1.2 assigns by way of first fixed security the Benefit under the Issuer Transaction Documents (other than the Trust Documents and the Subscription Agreement); and
- 5.1.3 charges by way of first fixed charge the Benefit of the Issuer Accounts and any bank or other accounts in which the Issuer may at any time have or acquire any Benefit and all of its other book debts, present and future, the proceeds of the same and all other moneys due and payable to it and the benefit of all rights, securities and guarantees of any nature enjoyed or held by it in relation to any of the foregoing

## 6 CREATION OF FLOATING CHARGE

- 6.1 Subject to the proviso regarding release on redemption in Clause 8 (*Redemption and Release*) and without prejudice to Clause 6.2, as continuing security for the payment or discharge of the Issuer Secured Liabilities, the Issuer with full title guarantee also hereby charges, in favour of the Issuer Security Trustee for the Issuer Security Trustee itself and on trust for the Issuer Secured Creditors, by way of a floating charge the whole of its undertaking and all its property, assets and rights whatsoever and wheresoever situated, present and future
- 6.2 Paragraph 14 of Schedule B1 to the Insolvency Act applies to the floating charge created pursuant to this Clause 6 (*Creation of Floating Charge*)
- 6.3 The floating charge created by Clause 6.1 shall be postponed to any valid fixed charges which remain outstanding under this Deed from time to time and any rights of the Issuer to deal with the assets subject to the floating charge shall be expressly subject to any restrictions placed on dealing with those assets contained in any fixed charge over the same

## 7 NOTICE OF SECURITY

### 7.1 Issuer's Notices

The Issuer shall, immediately after the date hereof, give notice of the Issuer Security, substantially in the form of Schedule 1, Part 1 (*Notice of Charge to Issuer Account Bank and Acknowledgement*) and Schedule 1, Part 2 (*Notice of Assignment to Issuer Transaction Parties*) (as the case may be), of the charge or assignment by way of security (subject to reassignment or release) to all relevant parties, including the following notices

- 7.1.1 to the Issuer Account Bank, a notice of charge to the Issuer Account Bank,
- 7.1.2 to each of the parties to the Issuer Transaction Documents, a notice of assignment to the Issuer Transaction Parties

in each case substantially in the form set out in Schedule 1 (*Forms of Notice of Assignment/Charge*) to this Deed

## 7.2 Acknowledgements of Notices

The Issuer shall procure that each recipient of a notice of assignment/charge pursuant to Clause 7.1 (*Issuer's Notices*) acknowledges receipt of such relevant notice, substantially in the form of Schedule 1, Part 2 (*Acknowledgement of Notice of Charge to the Issuer Account Bank*) and Schedule 1, Part 3 (*Acknowledgement of Assignment*) (as the case may be)

## 8 REDEMPTION AND RELEASE

### 8.1 Release on payment or discharge

Upon proof being given to the satisfaction of the Issuer Security Trustee as to the irrevocable and unconditional payment or discharge of the Issuer Secured Liabilities, the Issuer Security Trustee will, without recourse, representation or warranty, at the request and cost of the Issuer, as soon as reasonably practicable following such a request, release, discharge or reassign (as appropriate) the Issuer Charged Assets to, or to the order of, the Issuer or to any other person entitled to the Issuer Charged Assets of whom the Issuer Security Trustee has notice. Written confirmation of such discharge of the Issuer Secured Liabilities and absence of any actual or contingent obligations to make any advances or provide financial accommodation to the Issuer under the Issuer Transaction Documents shall be provided by the relevant Issuer Secured Creditor (other than the Issuer Security Trustee) as soon as reasonably practicable after the discharge of the relevant Issuer Secured Liabilities.

### 8.2 Release on Instruction of Issuer Secured Creditors

8.2.1 Except in the circumstances specified in Clause 8.1, upon receiving instructions from all of the Issuer Secured Creditors to do so, the Issuer Security Trustee shall at the cost of the Issuer release the benefit of any encumbrance, rights or obligations held by it as security for all or any of the Issuer Secured Liabilities.

8.2.2 The Issuer Security Trustee shall rely on any representation, warranty and approval given by the Issuer Secured Creditors in any instruction delivered to it pursuant to Clause 8.2.1 without further enquiry. When releasing the benefit of any encumbrance, rights or obligations and/or, as the case may be, reassigning any property pursuant to this Clause 8.2 (*Release on Instruction of Issuer Secured Creditors*), the Issuer Security Trustee shall not consider whether any rights or obligations owed to any Issuer Secured Creditor will be or are likely to be prejudiced by such release or, as the case may be, reassignment. The Issuer Security Trustee shall not incur any Liability to any person for so relying or for so not considering.

### 8.3 No avoidance

No assurance, security or payment which is avoided under any enactment relating to bankruptcy or under Sections 238 to 245 (inclusive) or Section 423 of the Insolvency Act or any equivalent provision of common law and no release, settlement or discharge given or made by the Issuer Security Trustee in reliance on any such assurance, security or payment shall prejudice or affect the right of the Issuer Security Trustee to enforce the Issuer Security to the full extent of the Issuer Secured Liabilities. The Issuer agrees that, notwithstanding any such avoidance, release, settlement or discharge, the Issuer Security shall be deemed always to have been and to have remained held by the Issuer Security Trustee as and by way of security for the payment to or to the order of the Issuer Security Trustee for the Issuer Secured Liabilities.

**8.4 Form of Release**

The Issuer Security shall, save in the circumstances set out in Clause 8.2 (*Release on Instruction of Issuer Secured Creditors*), be released only upon the execution by or on behalf of the Issuer Security Trustee of either an absolute and unconditional release by way of deed or a receipt, in each case relating to all (and not part only) of the Issuer Secured Liabilities which shall be so executed on the Final Discharge Date

**8.5 Application of Issuer Secured Liabilities**

8.5.1 If the Issuer Security Trustee considers in its sole discretion that an amount paid to the Issuer Security Trustee or any Issuer Secured Creditor for application in or towards repayment of the Issuer Secured Liabilities is capable of being avoided or otherwise set aside on the liquidation or administration of the Issuer or otherwise, then such amount shall not be considered to have been irrevocably paid for the purposes of this Deed

8.5.2 All amounts which the Issuer is permitted to withdraw from the Issuer Accounts in accordance with the Issuer Priorities of Payments and the Cash Management Agreement shall be deemed to be released from the Encumbrances constituted by this Deed, any such release to take effect immediately upon the relevant withdrawal being made

**8.6 Information from Issuer Secured Creditors**

Each Issuer Secured Creditor (other than the Issuer Security Trustee) and the Issuer shall provide the Issuer Security Trustee, on request, with a certificate containing accurate and up to date information as to the Issuer Secured Liabilities owing (actually or contingently) to such Issuer Secured Creditor to enable the Issuer Security Trustee to perform its functions under this Deed, such certificate to be in a form required by the Issuer Security Trustee. The Issuer Security Trustee shall be entitled to rely on any such certificates without incurring any Liability to any person for so relying and shall have no duty to enquire as to the accuracy thereof and any such certificate shall be *prima facie* evidence of such amount due from the Issuer in the absence of manifest error. The Issuer hereby expressly consents to the Issuer Secured Creditors supplying such information to the Issuer Security Trustee

**9 CONTINUANCE OF SECURITY**

The Issuer Security and the covenants, undertakings and provisions contained in this Deed shall remain in force as a continuing security to the Issuer Security Trustee, notwithstanding any intermediate payment or satisfaction of any part of the Issuer Secured Liabilities or any settlement of account or any other act, event or matter whatsoever, and shall secure the Issuer Secured Liabilities

**10 PERMITTED PAYMENTS**

The Issuer may make and the Issuer Secured Creditors may receive, from time to time, any payment or receipt made or received from, recovered out of or, as the case may be, discharged pursuant to the Issuer Priorities of Payments

## **11 PAYMENTS PRIOR TO ENFORCEMENT**

### **11 1 Issuer Security Trustee Acknowledgements**

Notwithstanding the Issuer Security, the Issuer Security Trustee acknowledges that, subject to Clause 13 (*Security Protection Notice*) and until delivery by the Note Trustee of a Note Enforcement Notice

11 1 1 payments becoming due to the Issuer under any of the Issuer Transaction Documents, together with all other monies payable to the Issuer pursuant to any other documents or arrangements to which it is a party, may be made to the Issuer in accordance with the provisions of the relevant Issuer Transaction Document or (as the case may be) the documents or arrangements concerned,

11 1 2 the Issuer may, subject to Clause 11 1 3, exercise its rights, powers and discretions and perform its obligations in relation to the Issuer Charged Assets and under the Issuer Transaction Documents in accordance with the provisions of the Issuer Transaction Documents or (as the case may be) such other documents or arrangements to which it is a party, and

11 1 3 amounts standing to the credit of the Issuer Accounts from time to time may be withdrawn therefrom by the Issuer or the Cash Manager on its behalf, but only in accordance with the Issuer Pre-Enforcement Priority of Payments and the Issuer Transaction Documents

### **11 2 Ranking of Issuer Secured Liabilities**

Each of the Issuer and each Issuer Secured Creditor hereby acknowledges that

11 2 1 prior to delivery of a Note Enforcement Notice, each Issuer Secured Creditor's claims shall rank according to the Issuer Pre-Enforcement Priority of Payments, and

11 2 2 after delivery of a Note Enforcement Notice, each Issuer Secured Creditor's claims shall rank according to the Issuer Post-Enforcement Priority of Payments

## **SECTION 4 REPRESENTATIONS AND WARRANTIES BY THE ISSUER**

### **12 REPRESENTATIONS AND WARRANTIES BY THE ISSUER**

12 1 The Issuer represents and warrants to the Issuer Security Trustee that

12 1 1 it has taken all necessary steps to enable it to create the Issuer Security in respect of the Issuer Charged Assets in accordance with the terms of this Deed and has taken no action or steps which will or may prejudice its right, title and interest in, to and under the Issuer Charged Assets, and

12 1 2 this Deed creates the Issuer Security it purports to create and such Issuer Security is not liable to be avoided or otherwise set aside on the occurrence of and in relation to an Insolvency Event in respect of the Issuer

## SECTION 5 PROTECTION OF SECURITY AND ENFORCEMENT

### 13 SECURITY PROTECTION NOTICE

#### 13.1 Delivery of Security Protection Notice

Subject to the provisions of Clause 15 (*Enforcement*) if, prior to the Final Maturity Date

13.1.1 a Note Event of Default or Potential Note Event of Default in relation to the Notes occurs, or

13.1.2 the Issuer Security Trustee reasonably believes that the Issuer Charged Assets or any part thereof is in danger of being seized or sold under any form of distress, diligence or execution levied, executed or threatened or to be otherwise in jeopardy,

then the Issuer Security Trustee may, in its absolute discretion, deliver to the Issuer (with a copy to the other Issuer Secured Creditors) a Security Protection Notice.

#### 13.2 Consequences of Delivery of Security Protection Notice

Upon delivery of a Security Protection Notice, but subject to the provisions of Clause 15 (*Enforcement*), except where the Security Protection Notice has been delivered as a result of an Insolvency Event occurring solely due to the Issuer obtaining or taking steps to obtain a moratorium pursuant to section 1A of the Insolvency Act 1986

13.2.1 to the extent permitted by any law and in particular, the laws of England and Wales, the Floating Charge shall crystallise into a fixed charge or fixed charges as regards any assets specified in the Security Protection Notice, and

13.2.2 by way of further assurance of such fixed charge or fixed charges the Issuer shall promptly execute over such assets a fixed charge or fixed charges or other Encumbrance in favour of the Issuer Security Trustee in such form as the Issuer Security Trustee shall require

#### 13.3 Withdrawal of Security Protection Notice

The Issuer Security Trustee may at any time, unless a Note Enforcement Notice has been delivered, by notice in writing to the Issuer withdraw a Security Protection Notice and shall so withdraw in the event that the events which give rise to the Security Protection Notice are (in the opinion of the Issuer Security Trustee) cured, waived or otherwise cease to apply

#### 13.4 No Withdrawals from Issuer Accounts

From and including the date on which the Issuer Security Trustee delivers a Security Protection Notice to the Issuer and unless and until it is withdrawn, no amount may be withdrawn from the Issuer Accounts (other than the Retained Profit Account and amounts credited to the Share Capital Ledger) without the prior written consent of the Issuer Security Trustee, **provided that**, unless a Note Enforcement Notice has been delivered by the Note Trustee, the Issuer Security Trustee shall not act under this Clause 13.4 (*No Withdrawals from Issuer Accounts*)

in such a way as to require any payment other than in accordance with the Issuer Pre-Enforcement Priority of Payments

#### 14 **NOTE ENFORCEMENT NOTICE**

The Issuer and the Issuer Security Trustee acknowledge and agree that the circumstances in which the Note Trustee may or shall deliver a Note Enforcement Notice and the conditions applicable to delivery and the consequences of delivery of a Note Enforcement Notice are set out in Condition 8 (*Note Events of Default*)

#### 15 **ENFORCEMENT**

From the date of delivery of a Note Enforcement Notice, the whole of the Issuer Security shall, subject to compliance with any applicable law and in particular, the laws of England and Wales, become enforceable in accordance with the terms of this Deed and

- (a) all Notes then outstanding shall immediately become due and repayable at their Principal Amount Outstanding (or, where the Redemption Amount is payable pursuant to Condition 5, the applicable Redemption Amount) together with accrued interest as provided in the Note Trust Deed;
- (b) if it has not already crystallised, the Floating Charge shall crystallise automatically,
- (c) subject to the provisions of this Deed, the Issuer Security Trustee may institute such proceedings against the Issuer and take such action as it may think fit to enforce all or any part of the Issuer Security,
- (d) amounts may be withdrawn from the Issuer Accounts (other than the Retained Profit Account and amounts credited to the Share Capital Ledger, which for the avoidance of doubt, will not be subject to the provisions of this Clause 15 (*Enforcement*)) and only by or on behalf of the Issuer Security Trustee and shall be applied (other than monies credited to the Subordinated Bond Lock-Up Account where not required to be applied under the Issuer Post-Enforcement Priority of Payments under Condition 4(e) (*Subordinated bond lock-up*) which shall be applied in accordance with Condition 4(e)) only in accordance with the Issuer Post-Enforcement Priority of Payments,
- (e) the Issuer Security Trustee may appoint a Receiver or an administrator in accordance with Clause 22 (*Appointment and Removal of Administrator and Receiver*), and
- (f) whether or not it has appointed a Receiver, the Issuer Security Trustee may exercise all or any of the powers, authorities and discretions
  - (i) conferred by the Trust Documents on any Receiver,
  - (ii) conferred by the LPA (as varied or extended by the Trust Documents) on mortgagees or security holders, or
  - (iii) otherwise conferred by law on mortgagees or security holders or receivers

## 16 **ISSUER PRE-ENFORCEMENT PRIORITY OF PAYMENTS**

### 16 1 **Issuer Pre-Enforcement Priority of Payments**

Prior to the delivery of a Note Enforcement Notice, amounts standing to the credit of the Available Revenue Ledger relating to the Issuer Transaction Account will be applied by or on behalf of the Issuer in accordance with the Issuer Pre-Enforcement Priority of Payments in Schedule 3 (*Issuer Pre-Enforcement Priority of Payments*)

## 17 **ISSUER POST-ENFORCEMENT PRIORITY OF PAYMENTS**

### 17 1 **Issuer Post-Enforcement Priority of Payments**

After the delivery of a Note Enforcement Notice, the Cash Manager shall, on behalf of the Issuer Security Trustee, subject to compliance with any applicable law and in particular, the laws of England and Wales, apply all monies held in the Issuer Accounts (other than amounts standing to the credit of the Retained Profit Account and any amounts credited to the Share Capital Ledger (which are to remain to be used for the purposes set out in paragraphs 2 2 and 3 of Schedule 2 of the Cash Management Agreement) and monies credited to the Subordinated Bond Lock-Up Account where not required to be applied under the Issuer Post-Enforcement Priority of Payments under Condition 4(e) (*Subordinated bond lock-up*) which shall be applied in accordance with Condition 4(e)), all trust proceeds and all monies derived therefrom in the order set out in the Issuer Post-Enforcement Priority of Payments in Schedule 4 (*Issuer Post-Enforcement Priority of Payments*)

### 17 2 **Monies not required for Issuer Secured Liabilities**

Any monies held by the Receiver or the Issuer Security Trustee after application of monies received or recovered after delivery of a Note Enforcement Notice and not required for application in discharge of the Issuer Secured Liabilities (or to be retained in the Retained Profit Account, Share Capital Ledger relating to the Issuer Transaction Account or Subordinated Bond Lock-Up Account) in accordance with Clause 17 1 (*Issuer Post-Enforcement Priority of Payments*) shall be paid by the Receiver or the Issuer Security Trustee to the Issuer for application in or towards meeting the obligations of the Issuer, which do not constitute Issuer Secured Liabilities, as such obligations fall due and then to the Issuer

## **SECTION 6 ISSUER SECURITY TRUSTEE'S POWERS**

### 18 **ADDITIONAL PROVISIONS REGARDING THE ISSUER SECURITY TRUSTEE**

Without prejudice to the other provisions of this Deed and except as set out below, the following clauses of the Note Trust Deed are incorporated in and will apply, *mutatis mutandis*, to this Deed (and for that purpose references in those clauses to "these presents" or "this Deed" will be construed as references to this Issuer Deed of Charge and reference in those clauses to "the Note Trustee" will be construed as references to the Issuer Security Trustee)

- clause 18 3 (*Extra Duties*),
- clause 28 (*Supplement to Trustee Acts*),
- clause 29 (*Remuneration*),

- clause 30 (*Appointment of Note Trustees*),
- clause 31 (*Notice of a New Note Trustee*),
- clause 32 (*Separate and Co-Note Trustees*),
- clause 33 (*Appointment, Removal, Remuneration of Separate/Co-Note Trustee*),
- clause 34 (*Retirement of Note Trustees*),
- clause 35 (*Competence of a Majority of Note Trustees*),
- clause 36 (*Powers Additional*),
- clause 37 (*Merger*)

The Issuer Security Trustee has no duties or responsibilities except those expressly set out in this Deed or in the Issuer Transaction Documents or under the general law

## 19 MANDATORY ENFORCEMENT

19 1 Subject to Clause 22 3 (*Administrative Receiver*), the Issuer Security Trustee will not, and will not be bound to, take any steps, institute any proceedings, exercise its rights and/or take any action under or in connection with any of the Transaction Documents (including, without limitation, enforcing the Issuer Security) unless the Issuer Security Trustee

- (a) has been indemnified and/or secured and/or prefunded to its satisfaction against all Liabilities to which it may render itself liable or which it may incur by so doing and, for this purpose, the Issuer Security Trustee may demand, prior to taking any such action, that there be paid to it in advance such sums as it considers (without prejudice to any further demand) shall be sufficient so as to indemnify it, and
- (b) is directed to do so by
  - (i) the Note Trustee, or
  - (ii) if there are no Notes outstanding, the Issuer Secured Creditor or Issuer Secured Creditors ranking most senior in the order of priority of the Issuer Post-Enforcement Priority of Payments (other than the Note Trustee, the Issuer Security Trustee, the ProjectCo Security Trustee or the Agents),

(in each case, the "**Instructing Party**"), in which case the Issuer Security Trustee will be bound to take such action in the manner instructed by the Instructing Party (subject to (a) above), provided that the Issuer Security Trustee will be bound to take such action in the manner instructed by the Instructing Party, provided that the Issuer Security Trustee may at all times, whether or not so directed, take such action in respect of any right, power or discretion which is personal to the Issuer Security Trustee or is to preserve or protect the Issuer Security Trustee's position or is of a purely administrative nature

19 2 The Issuer Security Trustee shall not be liable to any Issuer Secured Creditor or to the Issuer for any action it may take in accordance with any instructions received

pursuant to sub-clause (a) above, except in the case of gross negligence, wilful default or fraud. The Issuer Security Trustee shall be entitled to seek clarification from the relevant Instructing Party with regard to such instructions and may in its discretion elect not to act pending receipt of such clarification to its satisfaction from such Instructing Party.

## 20 **RELIANCE ON INSTRUCTIONS FROM NOTE TRUSTEE**

The Issuer Security Trustee shall be entitled to rely (without investigation or further inquiry) upon instructions or directions given to it by the Note Trustee and the Issuer Security Trustee shall not be bound in any such case to enquire as to the compliance by the Note Trustee with the Note Trust Deed or be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be caused by it failing to do so.

## 21 **EXTENSION AND VARIATION OF THE LPA**

### 21.1 **Extension of Powers**

From the date of this Deed but subject to Clause 21.2 (*Powers Exercised on Delivery of Note Enforcement Notice*), the provisions of the LPA relating to the power of sale and the other powers conferred by sections 101(1) and (2) of the LPA, are, to the extent applicable, extended to authorise the Issuer Security Trustee upon such terms as the Issuer Security Trustee may think fit in accordance with this Deed but to the extent permitted by any applicable law and in particular, the laws of England and Wales.

- 21.1.1 to sell, exchange, licence or otherwise dispose of or otherwise deal with the Issuer Charged Assets or any interest in the same, and to do so for shares, debentures or any other securities whatsoever, or in consideration of an agreement to pay all or part of the purchase price at a later date or dates, or an agreement to make periodical payments, whether or not the agreement is secured by an Encumbrance or a guarantee, or for such other consideration (if any) and upon such terms whatsoever as the Issuer Security Trustee may think fit, and also to grant any option to purchase,
- 21.1.2 with a view to, or in connection with, the management or disposal of the Issuer Charged Assets to carry out any transaction, scheme or arrangement which the Issuer Security Trustee may in its absolute discretion consider appropriate,
- 21.1.3 to take possession of, get in and collect the Issuer Charged Assets,
- 21.1.4 to carry on and/or manage and/or concur in managing the business of the Issuer as it thinks fit and to demand, sue for and collect and get in all monies due to the Issuer as it thinks fit,
- 21.1.5 to appoint and engage managers, agents and advisers upon such terms as to remuneration and otherwise and for such periods as it may determine, and to dismiss them,
- 21.1.6 to bring, defend, submit to arbitration, negotiate, compromise, abandon and settle any claims and proceedings concerning the Issuer Charged Assets,
- 21.1.7 to transfer all or any of the Issuer Charged Assets and/or any of the liabilities of the Issuer to any other company or body corporate whether or not formed or acquired for the purpose and whether or not an affiliate of the Issuer Security Trustee or the Issuer,

- 21 1 8 to call up all or any portion of the uncalled capital (if any) of the Issuer,
- 21 1 9 generally to carry out, or cause or authorise to be carried out, any transaction, scheme or arrangement whatsoever, whether or not similar to any of the foregoing, in relation to the Issuer Charged Assets which it may consider expedient as effectually as if it were the absolute, sole legal and beneficial owner of the Issuer Charged Assets, subject to any restrictions in the Issuer Transaction Documents,
- 21 1 10 to pay and discharge, out of the profits and income of the Issuer Charged Assets and the monies to be made by it in carrying on the business of the Issuer, the expenses incurred in and about the carrying on and management of any such business or in the exercise of any of the powers conferred by this Clause 21 1 10 or otherwise in respect of the Issuer Charged Assets and all outgoings which it shall think fit to pay and apply the residue of such profits and income in accordance with the Issuer Post-Enforcement Priority of Payments,
- 21 1 11 to exercise any of the powers and perform any of the duties conferred on the Issuer by or pursuant to any of the Issuer Transaction Documents or any statute, deed or contract,
- 21 1 12 to exercise, or permit any other person to exercise, any rights, powers or privileges of the Issuer in respect of the Issuer Charged Assets,
- 21 1 13 to disclaim, discharge, abandon, disregard, alter or amend on behalf of the Issuer all or any outstanding contracts of the Issuer except where such amendment is proscribed by the terms of any Issuer Transaction Document and allow time for payment of any monies either with or without security,
- 21 1 14 to sanction or confirm anything suffered by the Issuer and concur with the Issuer in any dealing not specifically mentioned above,
- 21 1.15 in connection with the exercise of any of its powers, to execute or do, or cause or authorise to be executed or done, on behalf of or in the name of the Issuer or otherwise, as it may think fit, all documents, acts or things which it may consider appropriate or incidental or conducive to the exercise of any of the powers referred to above, and
- 21 1 16 to use the name of the Issuer for all or any of the foregoing purposes

## 21 2 **Powers Exercised on Delivery of Note Enforcement Notice**

The statutory powers of sale and of appointing a receiver which are conferred upon the Issuer Security Trustee, as varied and extended by this Deed, and all other powers shall, in favour of any purchaser, be deemed to arise and be exercisable immediately after the execution of this Deed but shall, to the extent permitted by any applicable law and in particular, the laws of England and Wales, only be exercised upon the delivery of a Note Enforcement Notice

## 21 3 **Restrictions**

The restrictions contained in Section 93 and Section 103 of the LPA shall not apply to this Deed or to the exercise by the Issuer Security Trustee of its right to consolidate all or any of the Issuer Security with any other security in existence at any time or to its power of sale, which powers may be exercised by the Issuer Security Trustee without notice to the Issuer on or at any time after the delivery of a Note Enforcement Notice

#### 21 4 **Borrowing Powers**

The Issuer Security Trustee may raise and borrow money on the security of the Issuer Charged Assets or any part of the Issuer Charged Assets for the purpose of defraying any monies, costs, charges, losses and expenses paid or incurred by it in relation to this Deed (including the costs of realisation of any or all of the Issuer Charged Assets and the remuneration of the Issuer Security Trustee). The Issuer Security Trustee may raise and borrow such money at such rate of interest and generally on such terms and conditions as it shall think fit and may secure the repayment of the money so raised or borrowed with interest on the same by mortgaging or otherwise charging the Issuer Charged Assets or any of it and either in priority to the Issuer Security or otherwise and generally in such manner as the Issuer Security Trustee shall think fit and for such purposes may execute and do all such assurances and things as it shall think fit

#### 21 5 **Powers Additional to LPA and Insolvency Act Powers**

The powers conferred by this Deed in relation to the Issuer Security on the Issuer Security Trustee or on any Receiver of the Issuer Charged Assets or any part of the Issuer Charged Assets shall be in addition to and not in substitution for the powers conferred on mortgagees or receivers under the LPA and the Insolvency Act and, where there is any ambiguity or conflict between the powers contained in either of such Acts and those conferred by this Deed, the terms of this Deed shall prevail

### **SECTION 7 ADMINISTRATOR AND RECEIVER**

#### 22 **APPOINTMENT AND REMOVAL OF ADMINISTRATOR AND RECEIVER**

##### 22 1 **Appointment of an Administrator**

At any time after the delivery of a Note Enforcement Notice, the Issuer Security Trustee may appoint one or more persons to be an administrator of the Issuer subject to the Issuer Security Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing

##### 22 2 **Appointment of a Receiver**

Subject to Clause 22 3 (*Administrative Receiver*), at any time after the delivery of a Note Enforcement Notice the Issuer Security Trustee may appoint such person or persons (including an officer or officers of the Issuer Security Trustee) as it thinks fit to be a Receiver or Receivers of the Issuer Charged Assets or any part thereof to act jointly or jointly and severally as receiver, manager, receiver or manager, administrative receiver, compulsory or interim manager or other similar officer as the Issuer Security Trustee shall determine, subject to the Issuer Security Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby become liable or which it may incur by so doing.

##### 22 3 **Administrative Receiver**

###### 22 3 1 **If**

- (a) any person who is entitled to do so presents an application for the appointment of an administrator of the Issuer,

- (b) a notice of intention to appoint an administrator of the Issuer is received by the Issuer Security Trustee, or
- (c) documents are filed with a competent court or registrar for the administration of the Issuer (whether out of court or otherwise),

the Issuer Security Trustee shall upon receipt of such notice or upon being notified or otherwise becoming aware of such application or thing appoint, by writing or deed, such person or persons (including an officer or officers of the Issuer Security Trustee) as the Issuer Security Trustee considers appropriate to be an administrative receiver of the Issuer and, in the case of the appointment of more than one person, to act together or independently of the other or others, notwithstanding whether or not the Issuer Security Trustee has been indemnified and/or secured and/or pre-funded to its satisfaction and such appointment must (where possible) take effect upon the final day by which the appointment must be made in order to prevent an administration proceeding or (where the Issuer or the directors of the Issuer have initiated the administration) not later than that final day

For the avoidance of doubt the Issuer Security Trustee hereby agrees that in respect of the appointment of an administrative receiver pursuant to this Clause 22.3.1 it is adequately indemnified, prefunded and secured to its satisfaction against all Liabilities in respect of such appointment pursuant to its rights against the Issuer, and the Issuer Security it has in respect of such rights (the amount of such indemnity forming part of the Issuer Secured Liabilities in the Issuer Deed of Charge)

22.3.2 The Issuer Security Trustee shall not be liable for any failure to appoint an administrative receiver in respect of the Issuer pursuant to this Clause 22.3 (*Administrative Receiver*) above, save in the case of its own gross negligence, wilful default or fraud and, for the avoidance of doubt

- (a) nothing in this Clause 22.3 (*Administrative Receiver*) shall be construed so as to impose on the Issuer Security Trustee any obligations to indemnify any administrative receiver appointed by it pursuant to this Clause 22.3 (*Administrative Receiver*) except to the extent of (and from) the available cash and assets comprising the Issuer Security held by the Issuer Security Trustee at such time, and
- (b) the Issuer Security Trustee shall have no liability if, having used its reasonable endeavours, it is unable to find a person who is willing to be appointed as an administrative receiver or Receiver, as applicable, on the terms as to indemnification referred to in sub-clause (a) above

22.3.3 The Issuer agrees that, in the event the Issuer Security Trustee appoints an administrative receiver pursuant to this Clause 22.3 (*Administrative Receiver*) the Issuer shall waive any claims in respect of Liabilities that it may have against the Issuer Security Trustee in respect of such appointment, save where the same arises as a result of the fraud, gross negligence or wilful default of the Issuer Security Trustee

#### 22.4 **Waiver no prejudice to Future Appointment**

No delay or waiver of the right to exercise the power to appoint a Receiver shall prejudice the future exercise of such power

## 22.5 **Insolvency Act Requirements**

The Issuer Security Trustee shall comply with any requirement under the Insolvency Act that the person appointed to be a Receiver be a licensed insolvency practitioner

## 22.6 **Removal of Receiver**

The Issuer Security Trustee may (subject to section 45 of the Insolvency Act) remove any Receiver whether or not appointing another in his place and the Issuer Security Trustee may also appoint another receiver if the Receiver resigns

## 22.7 **Exclusion of part of Charged Property**

The exclusion of any part of the Issuer Charged Assets from the appointment of any Receiver shall not preclude the Issuer Security Trustee from subsequently extending his appointment (or that of the Receiver replacing him) to that part

## 22.8 **Statutory Powers of Appointment**

The power of appointing a Receiver shall be in addition to all statutory and other powers of appointment of the Issuer Security Trustee under the LPA (as extended by this Deed) or otherwise and such powers shall remain exercisable from time to time by the Issuer Security Trustee in respect of any of the Issuer Charged Assets

## 23 **PROVISIONS RELATING TO RECEIVER**

### 23.1 **Receiver agent of Issuer**

Any Receiver shall, so far as the law permits, be the agent of the Issuer and (subject to applicable law) the Issuer shall be solely responsible for any Receiver's acts and defaults and liable on any contracts or engagements made or entered into by any Receiver, and in no circumstances shall the Issuer Security Trustee or the Issuer Secured Creditors be in any way responsible for any breach of duty or other act or omission by any Receiver.

### 23.2 **Remuneration of Receiver**

The remuneration of any Receiver may be fixed by the Issuer Security Trustee (and may be or include a commission calculated by reference to the gross amount of all money received or otherwise) but such remuneration shall be payable by the Issuer alone

### 23.3 **Receiver and Issuer Security Trustee's Directions**

Each Receiver shall in the exercise of his powers, authorities and discretions conform to the regulations and directions from time to time made and given by the Issuer Security Trustee

### 23.4 **Security from Receiver**

The Issuer Security Trustee may from time to time and at any time require any Receiver to give security for the due performance of his duties as Receiver and may fix the nature and amount of the security to be so given but the Issuer Security Trustee shall not be bound in any case to require any such security

**23 5 Monies Payable to Issuer Security Trustee**

Except as otherwise directed by the Issuer Security Trustee or as otherwise required by law, all monies from time to time received by any Receiver shall be paid over to the Issuer Security Trustee to be applied by it in accordance with the Issuer Post-Enforcement Priority of Payments

**23 6 Payments by Issuer Security Trustee to Receiver**

The Issuer Security Trustee may pay over to any Receiver any monies constituting part of the Issuer Charged Assets so that such monies may be applied for the purposes of this Deed by such Receiver and the Issuer Security Trustee may from time to time determine what funds any Receiver shall be at liberty to keep in hand with a view to the performance of his duties as Receiver

**23 7 Sections 109(6) and (8) of LPA**

Sections 109(6) and (8) of the LPA (relating to the application of monies received by a receiver) shall not apply in relation to any Receiver.

**23 8 LPA Restrictions Inapplicable**

None of the restrictions imposed by the LPA in relation to appointment of receivers or as to the giving of notice or otherwise shall apply to this Deed

**24 POWERS OF A RECEIVER**

**24 1 Powers of a Receiver**

In relation to the Issuer Charged Assets (and any assets of the Issuer which, when got in, would constitute Issuer Charged Assets) in respect of which a Receiver is appointed, every Receiver shall (subject to any applicable law and in particular the laws of England and Wales and subject to any restrictions in the instrument appointing him) have and be entitled to exercise, as varied and extended by the provisions of this Deed, (in the name of or on behalf of the Issuer or in his own name and, in each case, at the cost of the Issuer)

**24 1 1 all the powers conferred by the LPA on**

- (a) mortgagors,
- (b) mortgagees or security holders and on mortgagees or security holders in possession, and
- (c) receivers,

**24 1 2 all powers of an administrative receiver set out in Schedule 1 of the Insolvency Act (whether or not the Receiver is an administrative receiver),**

**24 1 3 all powers, authorities and discretions conferred upon the Issuer Security Trustee and the Issuer Security Trustee under the Trust Documents, subject to such restrictions as the Issuer Security Trustee may think fit,**

**24 1.4 all powers and rights of an absolute owner and power to do or omit to do anything which the Issuer itself could do or omit to do, and**

- 24 1 5 power to do all things (including bringing or defending proceedings in the name or on behalf of the Issuer) which seem to the Receiver to be incidental or conducive to
- (a) any of the functions, powers, authorities or discretions conferred on or vested in him,
  - (b) the exercise of any or all of his rights under this Deed (including realising all or any part of the Issuer Charged Assets), or
  - (c) the collection or getting in of the Issuer Charged Assets

## 24 2 **Receiver and Issuer Transaction Documents**

No Receiver shall have any power to take any action in relation to the Issuer Charged Assets which the Issuer Security Trustee is prohibited from taking by the terms of any Issuer Transaction Document

# SECTION 8 PROTECTIVE PROVISIONS

## 25 **PROTECTION OF THIRD PARTIES**

### 25 1 **Protection of Third Parties**

No purchaser from, or other person dealing with, the Issuer Security Trustee and/or any Receiver shall be concerned to enquire

- 25 1 1 whether any of the powers which they have exercised or purported to exercise has arisen or become exercisable, or
  - 25 1 2 whether the Issuer Secured Liabilities remain outstanding, or
  - 25 1 3 whether any event has occurred to authorise the Issuer Security Trustee and/or any Receiver to act, or
  - 25 1 4 as to the propriety or validity of the exercise or purported exercise of any such powers,
- and the title of such a purchaser and the position of such other person shall not be impeachable by reference to any of those matters

### 25 2 **Receipt absolute discharge**

The receipt of the Issuer Security Trustee or the Receiver shall be an absolute and conclusive discharge to a purchaser or other such person as is referred to in Clause 25 1 (*Protection of Third Parties*) and shall relieve such purchaser or other person of any obligation to see to the application of any monies paid to or by the direction of the Issuer Security Trustee or the Receiver

### 25 3 **Purchaser Defined**

In this Clause 25 (*Protection of Third Parties*), "**purchaser**" includes any person acquiring in good faith, for money or money's worth, the benefit of any Encumbrance over, or any other interest or right whatsoever in relation to, the Issuer Charged Assets

## 26 PROTECTION OF ISSUER SECURITY TRUSTEE AND RECEIVER

### 26 1 Protection of Issuer Security Trustee and Receiver

The Issuer Security Trustee shall not nor shall any Receiver, attorney or agent of the Issuer Security Trustee by reason of taking possession of the Issuer Charged Assets or any part thereof or for any other reason whatsoever and whether as mortgagee or security holder in possession or on any other basis whatsoever

26 1 1 be liable to account to the Issuer or any other person whatsoever for anything except actual receipts in respect of the Issuer Charged Assets,

26 1 2 be liable to the Issuer or any other person whatsoever for any loss or damage arising from realisation of the Issuer Charged Assets or any part thereof or from any act, default or omission in relation to the Issuer Security or any part thereof or from any exercise or non-exercise by it of any power, authority or discretion conferred upon it in relation to the Issuer Charged Assets or any part thereof or otherwise; or

26 1 3 be responsible for monitoring the compliance of any of the other Parties to the Issuer Transaction Documents with their obligations under the Issuer Transaction Documents,

unless (in the case of Clause 26 1.1 and Clause 26 1.2 only) such loss or damage shall be caused by its own gross negligence, wilful default, or fraud

### 26 2 Entry into possession

Without prejudice to the generality of Clause 26 1 (*Protection of Issuer Security Trustee and Receiver*), entry into possession of the Issuer Charged Assets or any part thereof shall not render the Issuer Security Trustee or the Receiver liable to account as mortgagee or security holder in possession or liable for any loss on realisation or for any default or omission for which a mortgagee or security holder in possession might be liable

### 26 3 Going out of possession

If and whenever the Issuer Security Trustee or the Receiver enters into possession of the Issuer Charged Assets, it shall be entitled at any time at its discretion to go out of such possession

## 27 NOTIFICATION OF DEFAULT

If the Issuer becomes aware of the occurrence of a Note Event of Default which is continuing, the Issuer shall notify the Note Trustee, the Issuer Security Trustee and the other Issuer Secured Creditors in writing thereof

## SECTION 9 MISCELLANEOUS

### 28 RESTRICTION ON ENFORCEMENT OF SECURITY, NON PETITION AND LIMITED RECOURSE

#### 28 1 No proceedings against the Issuer

Only the Issuer Security Trustee may pursue the remedies available under the general law or under the Issuer Transaction Documents to enforce the Issuer

Security and no other Issuer Transaction Party shall be entitled to proceed directly against the Issuer to enforce the Issuer Security. Each Issuer Transaction Party (other than the Issuer and the Issuer Security Trustee) agrees with and acknowledges to each of the Issuer and the Issuer Security Trustee, and the Issuer Security Trustee agrees with and acknowledges to the Issuer, that

- 28.1.1 none of the Issuer Transaction Parties (nor any person on their behalf, other than the Issuer Security Trustee and the Note Trustee where appropriate) are entitled, otherwise than as permitted by the Issuer Transaction Documents, to direct the Issuer Security Trustee to enforce the Issuer Security or take any proceedings against the Issuer to enforce the Issuer Security,
- 28.1.2 none of the Issuer Transaction Parties (other than the Issuer Security Trustee and the Note Trustee) shall have the right to take or join any person in taking any steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer to any of such Issuer Transaction Parties (other than any steps which do not amount to the initiation of legal proceedings against the Issuer or threat of initiation against the Issuer of any proceedings described in the definition of Insolvency Event);
- 28.1.3 until the date falling two years after the Final Discharge Date none of the Issuer Transaction Parties nor any person on their behalf shall initiate or join any person in initiating an Insolvency Event or the appointment of an Insolvency Official in relation to the Issuer other than a Receiver or an administrator appointed under Clause 22 (*Appointment and Removal of Administrator and Receiver*) of the Issuer Deed of Charge,
- 28.1.4 none of the Issuer Transaction Parties shall be entitled to take or join in the taking of any corporate action, legal proceedings or other procedure or step which would result in the Issuer Priorities of Payments not being complied with, and
- 28.1.5 the provisions of this clause shall survive termination of this Agreement

## 28.2 Limited Recourse

- 28.2.1 Each Issuer Transaction Party (other than the Issuer and the Issuer Security Trustee) agrees with and acknowledges to each of the Issuer and the Issuer Security Trustee, and the Issuer Security Trustee agrees with and acknowledges to the Issuer, that notwithstanding any other provision of any Issuer Transaction Document (other than the Notes), all obligations of the Issuer to such Issuer Transaction Party under the Issuer Transaction Documents, including, without limitation, the obligations, are limited in recourse as set out below
  - (a) each Issuer Transaction Party agrees that it will have a claim only in respect of the Issuer Charged Assets and will not have any claim, by operation of law or otherwise, against, or recourse to any of the Issuer's other assets or its contributed capital,
  - (b) sums payable to each Issuer Transaction Party in respect of the Issuer's obligations to such Issuer Transaction Party under the Issuer Transaction Documents shall be limited to the lesser of
    - (i) the aggregate amount of all sums due and payable to such Issuer Transaction Party, and
    - (ii) the aggregate amounts received, realised or otherwise recovered by or for the account of the Issuer in respect of the Issuer

Charged Assets whether pursuant to enforcement of the Issuer Security or otherwise,

net of any sums which are payable by the Issuer in accordance with the Issuer Priorities of Payments in priority to or *pari passu* with sums payable to such Issuer Transaction Party; and

- (c) upon the Issuer Security Trustee giving written notice to the relevant Issuer Transaction Parties that it has determined in its sole opinion that there is no reasonable likelihood of there being any further realisations in respect of the Issuer Charged Assets (whether arising from an enforcement of the Issuer Security or otherwise) which would be available to pay unpaid amounts outstanding under the relevant Issuer Transaction Documents, the relevant Issuer Transaction Party shall have no further claim against the Issuer in respect of any such unpaid amounts and such unpaid amounts shall be discharged in full

28 2 2 Each Issuer Secured Creditor agrees that if any amount is received by it (including by way of set-off) in respect of any secured amount owed to it other than in accordance with the provisions of the Issuer Deed of Charge, then an amount equal to the difference between the amount so received by it and the amount that it would have received had it been paid in accordance with the provisions of the Issuer Deed of Charge shall be received and held by it and shall be paid over to the Issuer Security Trustee immediately upon receipt so that such amount can be applied in accordance with the provisions of the Issuer Deed of Charge

## 29 MODIFICATION, AUTHORISATION, WAIVER AND CONSENT

### 29 1 Modification

The Issuer Security Trustee shall concur with the Issuer or any other person in making any modification to any Issuer Transaction Document only if so directed by (a) the Note Trustee acting in accordance with the Note Trust Deed, so long as there are any Notes outstanding or (b) the Issuer Secured Creditor or Issuer Secured Creditors ranking most senior in the order of priority of the Issuer Post-Enforcement Priority of Payments (other than the Note Trustee, Issuer Security Trustee, the ProjectCo Security Trustee or the Agents) if there are no Notes outstanding

### 29 2 Authorisation or waiver

The Issuer Security Trustee shall waive or authorise (without prejudice to its rights in respect of any further or other breach) any breach or proposed breach by the Issuer or any other person of any of the covenants or provisions of any Issuer Transaction Document or determine that any Note Event of Default or Potential Note Event of Default shall not, or shall not subject to specific conditions be treated as such for the purpose of any Issuer Transaction Document only if so directed by (a) the Note Trustee acting in accordance with the Note Trust Deed, so long as there are any Notes outstanding or (b) the Issuer Secured Creditor or Issuer Secured Creditors ranking most senior in the order of priority of the Issuer Post-Enforcement Priority of Payments (other than the Note Trustee, Issuer Security Trustee, the ProjectCo Security Trustee or the Agents) if there are no Notes outstanding

### 29 3 **Requests for consent or approval**

If a request is made to the Issuer Security Trustee by the Issuer or any other person to give its consent or approval to any event, matter or thing, then

- (a) if any Issuer Transaction Document specifies that the Issuer Security Trustee is required to give its consent or approval to that event, matter or thing if certain specified conditions are satisfied in relation to that event, matter or thing, then the Issuer Security Trustee will give its consent or approval to that event, matter or thing upon being satisfied that those specified conditions have been satisfied, and
- (b) in any other case, the Issuer Security Trustee shall give its consent or approval to that event, matter or thing only if so directed by (a) the Note Trustee acting in accordance with the Note Trust Deed, so long as there are any Notes outstanding or (b) the Issuer Secured Creditor or Issuer Secured Creditors ranking most senior in the order of priority of the Issuer Post-Enforcement Priority of Payments (other than the Note Trustee, Issuer Security Trustee, the ProjectCo Security Trustee or the Agents) if there are no Notes outstanding

### 29 4 **Binding on Issuer Secured Creditors**

Any modification, authorisation, waiver, consent or approval provided under this Clause will be binding on all of the Issuer Secured Creditors

### 29 5 **Additional terms and conditions**

Any modification, authorisation, waiver, consent or approval provided under this Clause may be made or given on such terms and subject to such conditions (if any) as directed by (a) the Note Trustee acting in accordance with the Note Trust Deed, so long as there are any Notes outstanding or (b) the Issuer Secured Creditor or Issuer Secured Creditors ranking most senior in the order of priority of the Issuer Post-Enforcement Priority of Payments (other than the Note Trustee or Issuer Security Trustee, the ProjectCo Security Trustee or the Agents) if there are no Notes outstanding

## 30 **PROVISIONS RELATING TO THE ISSUER TRANSACTION DOCUMENTS**

### 30 1 **Acknowledgement of the Security**

Each Issuer Secured Creditor

- 30 1 1 acknowledges the Issuer Security created by the Trust Documents,
- 30 1 2 undertakes to the Issuer Security Trustee not to do anything inconsistent with the Issuer Security or the terms of the Issuer Transaction Documents,
- 30 1 3 acknowledges that the Issuer Security is held by the Issuer Security Trustee for the benefit of all the Issuer Secured Creditors and that any Receiver shall be appointed by the Issuer Security Trustee for the benefit of all the Issuer Secured Creditors, and
- 30 1 4 acknowledges the existence of the rights conferred on the Note Trustee and the Noteholders by Condition 8(a) and (c) (*Enforcement*)

## 30 2 **Issuer Secured Parties and Issuer Transaction Documents**

Each Issuer Secured Creditor shall be deemed to have notice of all of the provisions of the Issuer Transaction Documents

## 30 3 **Receipt**

The Issuer Security Trustee is hereby authorised to execute on behalf of the Issuer Secured Creditors a receipt in respect of all or part only of the Issuer Secured Liabilities, as may be appropriate from time to time

## 30 4 **Recoveries after Enforcement**

Except for monies paid out by the Issuer Security Trustee pursuant to the Issuer Post-Enforcement Priority of Payments, all monies received or recovered by the Issuer Secured Creditors in respect of the Issuer Secured Liabilities after delivery of a Note Enforcement Notice (whether by way of set off, retention, compensation, balancing of accounts or otherwise) shall forthwith be paid to or to the order of (and pending such payment held on trust for) the Issuer Security Trustee

## 31 **OBLIGATIONS AS CORPORATE OBLIGATIONS**

### 31.1 **No recourse against shareholders and others**

No Issuer Transaction Party shall have any recourse against nor shall any personal liability attach to any shareholder, officer, agent, employee or director of any Issuer Transaction Party in his capacity as such, by any Proceedings or otherwise, in respect of any obligation, covenant, or agreement of any Issuer Transaction Party contained in the Issuer Transaction Documents. Any officer, employee or agent of an Issuer Transaction Party may rely on this Clause and enforce its terms under the Contracts (Rights of Third Parties) Act 1999

### 31 2 **No liability for Liabilities of the Issuer**

The Issuer Transaction Parties, other than the Issuer, shall not have any liability for the Liabilities of the Issuer and nothing in the Issuer Transaction Documents shall constitute the giving of a guarantee, an indemnity or the assumption of a similar obligation by any of such other Parties in respect of the performance by the Issuer of the Liabilities

## 32 **CONFIDENTIALITY**

### 32 1 **Confidentiality of information**

Each Issuer Transaction Party agrees that prior to the Final Discharge Date and thereafter it shall keep confidential and it shall not disclose to any person whatsoever, any information relating to the business, finances or other matters of a confidential nature of any of the Issuer Transaction Parties which it may have obtained as a result of the execution of any Issuer Transaction Document or of which it may otherwise have become possessed as a result of the performance of its obligations in respect of the Transaction

### 32 2 **Disapplication of confidentiality provisions**

The Issuer Transaction Parties shall use all reasonable endeavours to prevent any disclosure referred to in paragraph 32 1 (*Confidentiality of information*) provided

however that the provisions of paragraph 32.1 (*Confidentiality of information*) shall not apply.

- 32 2 1 to the disclosure of any information to any person who is an Issuer Transaction Party insofar as such disclosure is expressly permitted by the relevant Issuer Transaction Document,
- 32 2 2 to the disclosure of any information already known to the recipient otherwise than as a result of entering into any of the Issuer Transaction Documents,
- 32 2 3 to the disclosure of any information with the consent of the relevant Issuer Transaction Parties,
- 32 2 4 to the disclosure of any information which is or becomes public knowledge otherwise than as a result of the conduct of the recipient,
- 32 2 5 to the disclosure of any information.
  - (a) in order to obtain the admission of the Notes to the Official List, or
  - (b) in connection with the admission of the Notes to trading on the Stock Exchange, or
  - (c) which it is necessary or desirable to provide to prospective investors in the Notes,
- 32 2 6 to the extent that the recipient is required to disclose the same pursuant to any Requirement of Law or any Regulatory Direction,
- 32 2 7 to the extent that the recipient needs to disclose the same for the exercise, protection or enforcement of any of its rights under any of the Issuer Transaction Documents or, in the case of the Note Trustee or Issuer Security Trustee or Managing Agent, for the purpose of discharging, in such manner as it thinks fit, its duties or obligations under or in connection with the Issuer Transaction Documents in each case to such persons as require to be informed of such information for such purposes or, in the case of the Note Trustee or Issuer Security Trustee, in connection with transferring or purporting to transfer its rights and obligations to a successor trustee,
- 32 2 8 to the extent that the recipient needs to disclose the same to any of its employees provided that before any such disclosure each Issuer Transaction Party shall make the relevant employees aware of its obligations of confidentiality under the relevant Issuer Transaction Document and shall at all times procure compliance with such obligations by such employees,
- 32 2 9 to the disclosure of any information to professional advisers who receive the same under a duty of confidentiality,
- 32 2 10 to the disclosure of any information disclosed to a prospective successor Issuer Transaction Party on the basis that such recipient will hold such information confidential upon substantially the same terms as this Clause 32 (*Confidentiality*), and
- 32 2 11 so long as any Issuer Security remains subsisting, to the disclosure by any of the Issuer Secured Creditors to each other of such information concerning the Issuer to such extent as any Issuer Secured Creditor sees fit

### 33 **OTHER SECURITY**

The Issuer Security is in addition to, and shall neither be merged in, nor in any way exclude or prejudice or be affected by, any other Encumbrance, right of recourse or other right whatsoever which the Issuer Security Trustee may now or at any time after the date of this Deed hold or have (or would apart from the provisions of this Deed hold or have) as regards the Issuer or any other person in respect of the Issuer Secured Liabilities

### 34 **APPLICATION TO COURT**

To the extent permitted by and subject to compliance with any applicable law and in particular, the laws of England and Wales, the Issuer Security Trustee may at any time apply to any court of competent jurisdiction for an order that the terms of this Deed or any document entered into pursuant hereto be carried into execution under the direction of the court and for the appointment of a Receiver of the Issuer Charged Assets and for any other order in relation to the administration of the terms of this Deed or any document entered into pursuant hereto as the Issuer Security Trustee shall deem fit and the Issuer Security Trustee may assent to or approve any application made to the court by the Issuer Secured Creditors and shall be indemnified by the Issuer against all costs, charges and expenses incurred by it in relation to any such application or proceedings

### 35 **POWER OF ATTORNEY**

#### 35 1 **Appointment of Attorneys and Purposes of Appointment**

The Issuer appoints the Issuer Security Trustee and any Receiver jointly and severally to be its attorneys (each, an "**Attorney**" and together, the "**Attorneys**") for the following purposes in the Issuer's name, on its behalf and as its act and deed

- 35 1 1 to exercise the Issuer's rights, powers and discretions in respect of the Issuer Transaction Documents,
- 35 1 2 to demand, sue for and receive all monies due or payable under or in respect of the Issuer Transaction Documents,
- 35 1 3 upon payment of such monies or any part thereof to give good receipt and discharge for the same and to execute such receipts, releases, surrenders, instruments and deeds as may be requisite or advisable; and
- 35 1 4 to execute, deliver and perfect all documents and do all things that the Attorneys may consider to be necessary for,
  - (a) carrying out any obligations imposed on the Issuer under this Deed, or
  - (b) exercising any of the rights conferred on the Attorneys by this Deed or by law (including, after the security constituted by this Deed has become enforceable, the exercise of any right of a legal or a beneficial owner of the Issuer Charged Assets)

#### 35 2 **Substitution**

Each of the Attorneys may appoint one or more persons to act as substitute or substitutes in its place for all or any of the purposes referred to in

Clause 35 1 (*Appointment of Attorneys and Purposes of Appointment*) and may revoke any such appointment at any time

### 35 3 **Delegation**

Each of the Attorneys may delegate to one or more person all or any of the powers referred to in Clause 35 1 (*Appointment of Attorneys and Purposes of Appointment*) on such terms as it thinks fit and may revoke any such delegation at any time

### 35 4 **Ratification**

The Issuer undertakes to ratify whatever act, matter or deed the Attorneys or either of them may lawfully do or cause to be done under the authority or purported authority of this Clause 35 (*Power of Attorney*) to the extent that such act, matter or deed is within the power of the Issuer

### 35 5 **Security**

The power of attorney contained in this Clause 35 (*Power of Attorney*) is given by way of security to secure the proprietary interests of, and the performance of the obligations of the Issuer to, the Attorneys under this Deed

### 35 6 **Revocation**

The power of attorney contained in this Clause 35 (*Power of Attorney*) is irrevocable and accordingly, for so long as the obligations referred to in Clause 35 5 (*Security*) remain undischarged, the power of attorney contained in this Clause 35 (*Power of Attorney*) shall not be revoked

35.6 1 by the Issuer without the consent of each of the Attorneys, or

35 6 2 on the occurrence of an Insolvency Event in respect of the Issuer

### 35 7 **Exercise of Power of Attorney**

35 7 1 The power of attorney contained in this Clause 35 (*Power of Attorney*) is capable of being exercised for the purposes stated in Clause 35 1 4 from the date hereof

35 7 2 The power of attorney contained in this Clause 35 (*Power of Attorney*) shall not be capable of being exercised for the purposes stated in Clause 35 1 1, Clause 35 1 2 and Clause 35 1 3, unless and until a Note Enforcement Notice has been delivered by the Note Trustee in accordance with Clause 14 (*Note Enforcement Notice*)

## 36 **EFFECTIVENESS OF SECURITY**

### 36 1 **Waiver of defences**

The obligations of, and the Issuer Security created by, the Issuer under and pursuant to this Deed will not be affected by any act, omission, matter or thing which, but for this Clause 36 1 (*Waiver of defences*), would reduce, release or prejudice any of its obligations under, or the Issuer Security created by, this Deed and whether or not known to the Issuer or the Issuer Security Trustee

### 36 2 **Immediate recourse**

The Issuer waives any right it may have of first requiring the Issuer Security Trustee (or any trustee or agent on its behalf) to proceed against or enforce any

other rights or Issuer Security or claim payment from any other person before claiming from the Issuer under this Deed. This waiver applies irrespective of any law or any provision of this Deed to the contrary.

### 37 **PRIOR SECURITY INTERESTS**

37.1 In the event of any action, proceeding or step being taken to exercise any powers or remedies conferred by any prior ranking Encumbrance against any of the Issuer Charged Assets or in case of exercise by the Issuer Security Trustee or any Receiver of any power of sale under this Deed, the Issuer Security Trustee may redeem such prior Encumbrance or procure the transfer thereof to itself.

37.2 The Issuer Security Trustee may settle and agree the accounts of the prior Encumbrance and any accounts so settled and passed will be conclusive and binding on the Issuer.

37.3 All principal monies, interest, costs, charges and expenses of and incidental to any redemption or transfer will be paid by the Issuer to the Issuer Security Trustee, in accordance with the Issuer Priorities of Payments, together with accrued interest thereafter as well as before judgement or decree at the rate from time to time applicable to unpaid sums specified in the Conditions from the time or respective times of the same having been paid or incurred until payment thereof (after as well as before judgement or decree).

### 38 **SUBSEQUENT SECURITY INTERESTS**

If the Issuer Security Trustee at any time receives or is deemed to have received notice of any subsequent Encumbrance, assignment, assignation or transfer affecting the Issuer Charged Assets or any part of the Issuer Charged Assets which is prohibited by the terms of any Issuer Transaction Document, all payments thereafter by or on behalf of the Issuer to the Issuer Security Trustee will (in the absence of any express contrary appropriation by the Issuer) be treated as having been credited to a new account of the Issuer and not as having been applied in reduction of the Issuer Secured Liabilities at the time that notice was received.

### 39 **MISCELLANEOUS PROVISIONS**

#### 39.1 **Control Provisions**

As between the Issuer and each Issuer Secured Creditor, to the extent that any provision of any Issuer Transaction Document contradicts this Deed, the provisions of this Deed shall prevail.

#### 39.2 **Notification by Issuer Secured Creditors**

As soon as practicable after the Issuer Security Trustee has been notified by any Issuer Secured Creditor that the Issuer Secured Liabilities owed to it have been irrevocably paid in full, the Issuer Security Trustee will confirm this fact in writing to the other Issuer Secured Creditors (or, where applicable, their agent or representative).

### 40 **WINDING UP OF TRUST**

If both the Final Maturity Date has occurred and each Issuer Secured Creditor (other than the Issuer Security Trustee) has confirmed in writing to the Issuer Security Trustee that its Issuer Secured Liabilities have been discharged and that it is not under any further actual or contingent obligation to make advances or

provide other financial accommodation to the Issuer under any of the Issuer Transaction Documents, the trusts herein created shall be wound up. Each Issuer Secured Creditor (other than the Issuer Security Trustee) shall provide such written confirmation as soon as reasonably practicable after the relevant Issuer Secured Liabilities have been discharged and the Issuer (or the Cash Manager on its behalf) shall provide the Issuer Security Trustee with confirmation thereof promptly upon the occurrence of the Final Maturity Date.

#### 41 **NOTICES**

Any notice required to be given under this Deed to any of the parties shall be in English and shall be delivered in person, sent by pre-paid post (first class if inland, first class airmail if overseas) or by email addressed to

The Issuer	FHW Dalmore (Salford Pendleton Housing) plc
	Address 35 Great St Helen's London EC3A 6AP
	Email directors-uk@sfmeurope.com
	Attention The Directors
With a copy to the Managing Agent	FHW Dalmore Limited
	Address 17 <sup>th</sup> Floor, 200 Aldersgate Street London EC1A 4HD
	Email surveillance@fhwcapital.com
	Attention: FHW Capital LLP
The Issuer Security Trustee	U S Bank Trustees Limited
	Address 125 Old Broad Street London EC2N 1AR
	Email mbs.relationship.management@usbank.com
	Attention Structured Finance Relationship Management
The Note Trustee	U S Bank Trustees Limited
	Address 125 Old Broad Street London EC2N 1AR
	Email mbs.relationship.management@usbank.com
	Attention Structured Finance Relationship Management
The Managing	FHW Dalmore Limited

## Agent

Address 17<sup>th</sup> Floor, 200 Aldersgate Street  
London EC1A 4HD

Email surveillance@fhwcapital.com

Attention FHW Capital LLP

The Cash Manager Elavon Financial Services Limited

Address 5<sup>th</sup> Floor, 125 Old Broad Street  
London EC2N 1AR

Email mbs.relationship.management@usbank.com

Attention Structured Finance Relationship  
Management

The Issuer Account Bank Elavon Financial Services Limited

Address 5<sup>th</sup> Floor, 125 Old Broad Street  
London EC2N 1AR

Email mbs.relationship.management@usbank.com

Attention Structured Finance Relationship  
Management

The Principal Paying Agent Elavon Financial Services Limited

Address 5<sup>th</sup> Floor, 125 Old Broad Street  
London EC2N 1AR

Email mbs.relationship.management@usbank.com

Attention Structured Finance Relationship  
Management

The Corporate Services Provider Structured Finance Management Limited

Address 35 Great St Helen's  
London EC3A 6AP

Email directors-uk@sfmeurope.com

Attention The Directors

Or such other address of which notice in writing has been given to the other parties to this Deed under the provisions of this clause

Any such notice shall take effect, if delivered in person, at the time of delivery, if sent by post, three days in the case of inland post or seven days in the case of overseas post after despatch, and in the case of email, upon receipt

42      **MERGER**

Any corporation into which the Issuer Security Trustee may be merged or converted, or any corporation with which the Issuer Security Trustee may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Issuer Security Trustee shall be a party, or any corporation, including affiliated corporations, to which the Issuer Security Trustee shall sell or otherwise transfer (a) all or substantially all of its assets or (b) all or substantially all of its corporate trust business shall, on the date when the merger, conversion, consolidation or transfer becomes effective and to the extent permitted by any applicable laws and subject to any credit rating requirements set out in this Deed become the successor Issuer Security Trustee under this Deed without the execution or filing of any paper or any further act on the part of the parties to this Deed, unless otherwise required by the Issuer, and after the said effective date all references in this Deed to the Issuer Security Trustee shall be deemed to be references to such successor corporation. Written notice of any such merger, conversion, consolidation or transfer shall immediately be given to the Issuer by the Issuer Security Trustee.

43      **FURTHER ASSURANCE**

The parties agree that they will co-operate fully to do all such further acts and things and execute or sign any further documents, instruments, notices or consents as may be reasonable and necessary or desirable to give full effect to the arrangements contemplated by this Deed.

44      **ENTIRE AGREEMENT**

This Agreement and any document referred to in this Deed constitute the entire agreement and understanding between the parties and supersede any previous agreements between the parties relating to the subject matter of this Deed.

45      **COUNTERPARTS**

This Agreement may be executed in any number of counterparts, all of which, taken together, shall constitute one and the same agreement and any party may enter into this Deed by executing a counterpart.

46      **EXERCISE OF RIGHTS AND REMEDIES**

46.1      **No waiver**

A failure to exercise or delay in exercising a right or remedy provided by this Deed or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies. No single or partial exercise of a right or remedy provided by this Deed or by law prevents further exercise of the right or remedy or the exercise of another right or remedy.

46.2      **Rights and remedies cumulative**

The rights and remedies contained in this Deed are cumulative and not exclusive of rights or remedies provided by law.

47      **PARTIAL INVALIDITY**

The invalidity, illegality or unenforceability of a provision of this Deed does not affect or impair the continuation in force of the remainder of this Deed.

48      **GOVERNING LAW AND JURISDICTION**

This Agreement and all non-contractual obligations arising from or connected with it shall be governed by and shall be construed in accordance with English law.

49      **JURISDICTION**

49 1      Each party to this Deed hereby irrevocably submits to the non-exclusive jurisdiction of the English courts in any action or proceeding arising out of or relating to this Deed

49 1 1      Each party to this Deed, other than the Issuer Security Trustee, agrees that the courts of England are the most appropriate and convenient courts to settle disputes between them and, accordingly, that they will not argue to the contrary

49 1.2      Each party to this Deed acknowledges that Clause 49 1 1 does not prevent the Issuer Security Trustee from taking any proceedings in any other courts with jurisdiction. To the extent allowed by law, the Issuer Security Trustee may take concurrent proceedings in any number of jurisdictions

50      **EXECUTION**

The Parties have executed this Deed as a deed and intend to deliver and do deliver this Deed on the date stated at the beginning of this Deed

**Schedule 1**  
**Forms of Notice of Assignment/Charge**

**Part 1**

**Notice of Charge to Issuer Account Bank and Acknowledgement**

From. **FHW DALMORE (SALFORD PENDLETON HOUSING) PLC** (the "Issuer")

To **ELAVON FINANCIAL SERVICES LIMITED** (the "Issuer Account Bank")

With a copy to **U.S. BANK TRUSTEES LIMITED** (the "Issuer Security Trustee")

[Date]

Dear Sirs,

**Account Numbers 732056-01, 732056-02 and 732056-03 (the "Issuer Accounts")**

- 1 Unless otherwise defined in this letter or the context requires otherwise, words and expressions used in this letter have the meanings and constructions ascribed to them in the Master Definitions Schedule which is dated on or about the date of this letter and signed for the purpose of identification by, *inter alios*, the Issuer and Issuer Security Trustee
- 2 We give you notice that by an Issuer Deed of Charge dated on or around the Closing Date between the Issuer and the Issuer Security Trustee, the Issuer has charged to the Issuer Security Trustee all of the Issuer's rights, claims, title, benefit and interest, present and future, in and to all sums of money which may now or hereafter from time to time stand to the credit of the Issuer Accounts, together with all interest accruing from time to time in respect of the Issuer Accounts and the debts represented thereby and all its rights, claims, title, benefit and interest, present and future in and to such debts
- 3 We authorise and instruct you, until receipt by you of written instructions from the Issuer Security Trustee, to permit the Issuer Accounts to be operated by the Cash Manager, on behalf of the Issuer, in accordance with the terms of the Issuer Account Bank Agreement, the relevant Issuer Account Mandates and the Cash Management Agreement
- 4 Until receipt by you of written instructions from the Issuer Security Trustee, for the purposes of debiting the Issuer Accounts the signature of any one authorised signatory of the Cash Manager under the Cash Management Agreement (in accordance with the board minutes supplied to you from time to time by the Issuer, with a copy to the Issuer Security Trustee) shall be sufficient authorisation
- 5 You are not authorised to recognise any action on the part of the Issuer to close the Issuer Accounts
- 6 Statements in relation to the Issuer Accounts shall, until receipt by you of further written instructions from Issuer Security Trustee be supplied to the Issuer as frequently as it requests
- 7 This notice is irrevocable

- 8 Please acknowledge receipt of this notice to the Issuer Security Trustee on the enclosed Acknowledgement of Notice of Charge to the Issuer Account Bank

Yours faithfully,

Signed by SFM Directors Limited, as Director  
**FHW DALMORE (SALFORD PENDLETON HOUSING) PLC**

**Part 2**  
**Acknowledgement of Notice of Charge to the Issuer Account Bank**

From **ELAVON FINANCIAL SERVICES LIMITED** (the "Issuer Account Bank")

To **U.S. BANK TRUSTEES LIMITED** (the "Issuer Security Trustee")

With a copy to **FHW DALMORE (SALFORD PENDLETON HOUSING) PLC** (the "Issuer")

[Date]

Dear Sirs,

**Account Numbers 732056-01, 732056-02 and 732056-03 (Issuer Accounts)**

- 1 Unless otherwise defined in this letter or the context requires otherwise, words and expressions used in this letter have the meanings and constructions ascribed to them in the Master Definitions Schedule which is dated on or about the date of this letter and signed for the purpose of identification by, *inter alios*, the Issuer and Issuer Security Trustee
- 2 We acknowledge receipt of the Notice of Charge to the Issuer Account Bank dated [●] relating to the Issuer Deed of Charge
- 3 We further acknowledge that the charge is effective to confer on the Issuer Security Trustee all the rights, claims, title, benefit and interest, present and future, of the Issuer in respect of all sums of money standing to the credit of the Issuer Accounts together with all interest accruing from time to time thereon and the debts represented thereby and all right, title, benefit and interest, present and future, therein
- 4 We confirm that as at the date of this Acknowledgement of Notice of Charge to the Issuer Account Bank we have not received from any other person any notice of any assignment or charge of, or of any interest in, the Issuer Accounts
- 5 We accept the authorisations and instructions contained in the Notice of Charge to the Issuer Account Bank and confirm that
  - (i) we do not have nor will we make or exercise any claims or demands, any rights of counterclaim, right of set off or any other equities in respect of the Issuer Accounts, and
  - (ii) we agree not to recognise any action on the part of the Issuer to close the Issuer Accounts and to give the Issuer Security Trustee, as appropriate, notice forthwith of any attempt by the Issuer to do so

Yours faithfully,

For and on behalf of  
**ELAVON FINANCIAL SERVICES LIMITED**

**Part 3**  
**Notice of Assignment to Issuer Transaction Parties**

From **FHW DALMORE (SALFORD PENDLETON HOUSING) PLC** (the "Issuer")

To. *[Insert Issuer Transaction Party Details]*

With a copy to **U.S. BANK TRUSTEES LIMITED** (the "Issuer Security Trustee")

[Date]

Dear Sirs,

**FHW DALMORE (SALFORD PENDLETON HOUSING) PLC**  
**£[•] [•] per cent. Class A Secured Notes due 2042**  
**£[•] [•] per cent. Class B Secured Notes due 2042**

- 1 Unless otherwise defined in this letter or the context requires otherwise, words and expressions used in this letter have the meanings and constructions ascribed to them in the Master Definitions Schedule which is dated on or about the date of this letter and signed for the purpose of identification by, *inter alios*, the Issuer and Issuer Security Trustee
- 2 We give you notice that by an Issuer Deed of Charge dated on or around the Closing Date between the Issuer and the Issuer Security Trustee, the Issuer assigned absolutely to the Issuer Security Trustee all its present and future rights, claims, title, benefit and interest, in and under the Issuer Transaction Documents to which it is a party (other than the Trust Documents).
- 3 Subject to any other instructions given to you by the Issuer Security Trustee, you are instructed to deal with the Issuer in relation to such Issuer Transaction Documents as if the assignment referred to in the preceding paragraph had not taken place, save that you are not authorised to recognise the exercise by the Issuer of any right to vary or terminate the relevant Issuer Transaction Document unless the prior written consent of the Issuer Security Trustee to such exercise has been obtained
- 4 This notice is irrevocable
- 5 Please acknowledge receipt of this notice to the Issuer Security Trustee on the enclosed Acknowledgement of Assignment

Yours faithfully,

Signed by SFM Directors Limited, as Director  
**FHW DALMORE (SALFORD PENDLETON HOUSING) PLC**

**Part 4**  
**Acknowledgement of Assignment**

From *[Insert Issuer Transaction Party Details]*

To. **U.S. BANK TRUSTEES LIMITED** (the "Issuer Security Trustee")

With a copy to. **FHW DALMORE (SALFORD PENDLETON HOUSING) PLC** (the "Issuer")

*[Date]*

Dear Sirs,

**FHW DALMORE (SALFORD PENDLETON HOUSING) PLC**  
**£[•] [•] per cent. Class A Secured Notes due 2042**  
**£[•] [•] per cent. Class B Secured Notes due 2042**

- 1 Unless otherwise defined in this letter or the context requires otherwise, words and expressions used in this letter have the meanings and constructions ascribed to them in the Master Definitions Schedule which is dated on or about the date of this letter and signed for the purpose of identification by, *inter alios*, the Issuer and Issuer Security Trustee
- 2 We hereby acknowledge receipt of the Notice of Assignment dated [•] relating to the Issuer Deed of Charge dated on or around the Closing Date. We further acknowledge that the assignment is effective to confer on you all the present and future rights, claims, title, benefit and interest, in and under the Issuer Transaction Documents to which the Issuer is a party (other than the Trust Documents)
- 3 We confirm that as at the date of this Acknowledgement of Assignment we have not received from any other person any notice of assignment or charge of, or of any interest in, the relevant Issuer Transaction Documents
- 4 We agree not to recognise the exercise by the Issuer of any right to vary or terminate the relevant Issuer Transaction Documents without your prior written consent and to give you notice forthwith of any attempt by the Issuer to do so
- 5 We further agree not to amend or modify the relevant Issuer Transaction Documents without your prior written approval

Yours faithfully,

---

For and on behalf of  
*[Insert Issuer Transaction Party Details]*

**Schedule 2**  
**Form of Security Protection Notice**

*[On the headed notepaper of the Issuer Security Trustee]*

*[Date]*

From **U.S. BANK TRUSTEES LIMITED**

To **FHW DALMORE (SALFORD PENDLETON HOUSING) PLC**

With a copy to *[Insert Issuer Transaction Party Details]*

Dear Sirs

**Issuer Deed of Charge dated or around the Closing Date between FHW Dalmore (Salford Pendleton Housing) Plc (the "Issuer") and U.S. Bank Trustees Limited (the "Issuer Security Trustee") (the "Deed")**

- 1 We refer you to the Deed
- 2 Unless otherwise defined in this letter or the context requires otherwise, words and expressions used in this letter have the meanings and constructions ascribed to them in the Master Definitions Schedule which is dated on or about the date of the Deed and signed for the purpose of identification by, *inter alios*, the Issuer and the Issuer Security Trustee
- 3 We wish to notify you of the conversion with immediate effect of the floating charge created by Clause 6 (*Creation of Floating Charge*) of the Deed (the "**Floating Charge**") into a fixed charge over all the assets of the Issuer which were the subject of the Floating Charge
- 4 We wish further to notify you that pursuant to Clause 13.4 (*No Withdrawals from Issuer Accounts*) that no amounts may be withdrawn from the Issuer Accounts (other than the Issuer Profit Account and amounts credited to the Share Capital Ledger) without our prior written consent

Yours faithfully,

For and on behalf of  
**U.S. BANK TRUSTEES LIMITED**

### Schedule 3 Issuer Pre-Enforcement Priority of Payments

Prior to the delivery of a Note Enforcement Notice, amounts standing to the credit of the Available Revenue Ledger relating to the Issuer Transaction Account will be applied by the Issuer in accordance with the following priority of payments (the "**Issuer Pre-Enforcement Priority of Payments**") on each Note Payment Date, or applicable business day confirmed by the Issuer as being the date of redemption, in making payment of or provision for any amounts then due and payable (provided that payments may be made out of amounts standing to the credit of the Available Revenue Ledger relating to the Issuer Transaction Account other than on a Note Payment Date, or applicable business day, to satisfy liabilities in paragraph (b))

- (a) *first*, in or towards satisfaction, *pari passu* and *pro rata*, of the amounts due in respect of
  - (i) the fees and other remuneration and indemnity payments (if any) payable to the Issuer Security Trustee and other appointees (if any) appointed by the Issuer Security Trustee under the Issuer Deed of Charge and any costs, charges, Liabilities and expenses incurred by the Issuer Security Trustee and the appointees (if any) (as the case may be) under the Issuer Deed of Charge and any other amounts payable to the Issuer Security Trustee and any such entity or entities under the Issuer Deed of Charge, together with interest thereon as provided for therein,
  - (ii) the fees and other remuneration and indemnity payments (if any) payable to the Note Trustee and other appointees (if any) appointed by the Note Trustee under the Note Trust Deed and any costs, charges, Liabilities and expenses incurred by the Note Trustee and (as the case may be) the appointees (if any) appointed by the Note Trustee under the Note Trust Deed and any other amounts payable to the Note Trustee under the Note Trust Deed and any such entity or entities under the Note Trust Deed, together with interest thereon as provided for therein,
  - (iii) the indemnity payments (if any) payable to the ProjectCo Security Trustee under the Security Trust and Intercreditor Deed,
- (b) *second*, in or towards satisfaction, *pari passu* and *pro rata*, of the amounts due and owing by the Issuer in respect of
  - (i) third parties that have become payable under obligations incurred in the course of the Issuer's business other than as provided elsewhere in this priority of payments, and
  - (ii) to the extent that the amount credited to the Retained Profit Account is insufficient to pay (or provide for) the same, all United Kingdom corporation tax and other Tax for which the Issuer is primarily liable under the laws of any jurisdiction,
- (c) *third*, in or towards satisfaction, *pari passu* and *pro rata*, of the amounts due and owing by the Issuer in respect of
  - (i) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Paying Agents incurred under the Paying Agency Agreement,

- (ii) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Corporate Services Provider under the Corporate Services Agreement,
  - (iii) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Managing Agent under the Managing Agent Agreement,
  - (iv) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Issuer Account Bank under the Issuer Account Bank Agreement; and
  - (v) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Cash Manager under the Cash Management Agreement,
- (d) *fourth*, to credit an amount to the Retained Profit Account equal to the Issuer Retained Profit;
- (e) *fifth*, in or towards satisfaction, *pari passu* and *pro rata*, of the amounts due in respect of interest due but unpaid under the Class A Notes,
- (f) *sixth*, in or towards satisfaction, *pari passu* and *pro rata*, of the amounts due in respect of principal and all other amounts then due under the Class A Notes,
- (g) *seventh*, in or towards satisfaction, *pari passu* and *pro rata*, of the amounts due in respect of interest due but unpaid under the Class B Notes, and
- (h) *eighth*, in or towards satisfaction, *pari passu* and *pro rata*, of the amounts due in respect of principal and all other amounts then due under the Class B Notes

#### Schedule 4 Issuer Post-Enforcement Priority of Payments

All monies received or recovered by the Issuer Security Trustee or any receiver appointed under the Issuer Deed of Charge following the enforcement of the Issuer Security (other than any amounts in the Retained Profit Account, amounts credited to the Share Capital Ledger and amounts credited to the Subordinated Bond Lock-Up Account (where not required to be applied under the Issuer Post-Enforcement Priority of Payments under Condition 4(e) (*Subordinated bond lock-up*) which shall be applied in accordance with the Condition 4(e)) will be applied in accordance with the following priority of payments (the "**Issuer Post-Enforcement Priority of Payments**" and together with the Issuer Pre-Enforcement Priority of payments, the "**Issuer Priorities of Payments**")

- (a) *first*, in or towards satisfaction, *pari passu* and *pro rata*, of the amounts due in respect of
  - (i) the fees and other remuneration and indemnity payments (if any) payable to the Issuer Security Trustee and any Receiver and other appointees (if any) appointed by the Issuer Security Trustee under the Issuer Deed of Charge and any costs, charges, Liabilities and expenses incurred by the Issuer Security Trustee, any Receiver and other appointees (if any) (as the case may be) under the provisions of the Issuer Deed of Charge and any other amounts payable to the Issuer Security Trustee and any such entity or entities under the Issuer Deed of Charge, together with interest thereon as provided for therein,
  - (ii) the fees and other remuneration and indemnity payments (if any) payable to the Note Trustee and other appointees (if any) appointed by the Note Trustee under the Note Trust Deed and any costs, charges, Liabilities and expenses incurred by the Note Trustee (as the case may be) and other appointees (if any) appointed by the Note Trustee under the Note Trust Deed and any other amounts payable to the Note Trustee under the Note Trust Deed and any such entity or entities under the Note Trust Deed, together with interest thereon as provided for therein; and
  - (iii) the indemnity payments (if any) payable to the ProjectCo Security Trustee under the Security Trust and Intercreditor Deed,
- (b) *second*, in or towards satisfaction, *pari passu* and *pro rata*, of the amounts due and owing by the Issuer in respect of
  - (i) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Paying Agents incurred under the Paying Agency Agreement,
  - (ii) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Corporate Services Provider under the Corporate Services Agreement,
  - (iii) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Managing Agent under the Managing Agent Agreement,
  - (iv) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Issuer Account Bank under the Issuer Account Bank Agreement, and

- (v) the fees, other remuneration, indemnity payments, costs, charges and expenses of the Cash Manager under the Cash Management Agreement,
- (c) *third*, to credit an amount to the Retained Profit Account on each Note Payment Date equal to the Issuer Retained Profit,
- (d) *fourth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due but unpaid under the Class A Notes,
- (e) *fifth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of principal and all other amounts then due under the Class A Notes,
- (f) *sixth*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of interest due but unpaid under the Class B Notes, and
- (g) *seventh*, in or towards satisfaction, *pari passu* and *pro rata*, of all amounts of principal and other amounts then due under the Class B Notes, and
- (h) *eighth*, the surplus (if any) to the Issuer or any other person entitled thereto

EXECUTION PAGE

**FHW DALMORE (SALFORD  
PENDLETON HOUSING) PLC**  
as Issuer

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**EXECUTED** as a **DEED** acting by

**SFM Directors Limited**  
as Director



**SFM Directors (No. 2) Limited**  
as Director

**EXECUTED** as a **DEED** for and on behalf  
of **U.S. BANK TRUSTEES LIMITED** as  
Issuer Security Trustee by

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**Chris Yates**  
Authorised Signatory

**EXECUTED** as a **DEED** for an on behalf of  
**U.S. BANK TRUSTEES LIMITED** as Note  
Trustees by

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**Chris Yates**  
Authorised Signatory

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EXECUTED and SIGNED as a DEED by  
FHW DALMORE LIMITED as Managing  
Agent

*Michael Ryan*

Director

*MARK BRIGES*

~~Director/Secretary~~ WITNESS  
ADDRESS: 11 TOWNSEND ROAD,  
HARPENDEN, AL5 4RQ  
PROFESSION: TRAINEE SOLICITOR

EXECUTED and SIGNED as a DEED for  
an on behalf of ELAVON FINANCIAL  
SERVICES LIMITED as Cash Manager by

*97*

*Mark Briges*

*C Yates*

**Chris Yates**  
Authorised Signatory

EXECUTED and SIGNED as a DEED for  
an on behalf of ELAVON FINANCIAL  
SERVICES LIMITED as Issuer Account  
Bank by

*C Yates*

**Chris Yates**  
Authorised Signatory

EXECUTED and SIGNED as a DEED for  
and on behalf of ELAVON FINANCIAL  
SERVICES LIMITED as Principal Paying  
Agent by

*C Yates*

**Chris Yates**  
Authorised Signatory

EXECUTED as a DEED acting by )  
STRUCTURED FINANCE MANAGEMENT )  
LIMITED as Corporate Services Provider )  
acting by )

Director )

~~Director~~/Secretary )

  
